

20:75:03:08. (Effective through June 30, 2013) Application for firm permit --

Renewal -- Replacement -- Fees. Any firm required to hold a permit pursuant to SDCL 36-20B-32.1 must apply to the board for such permit on forms provided by the board. An original sheet of each type of letterhead used by the firm must accompany the application. The board shall issue initial firm permits for up to one year. Firm permits expire annually on July 31.

The initial application fee for a firm required to hold a permit pursuant to SDCL 36-20B-32.1(1) or (2) is \$65 for each person holding a certificate, plus \$50 for each firm office in this state. The initial application fee for a firm required to hold a permit pursuant to SDCL 36-20B-32.1(3) is \$65 for each person holding a certificate and performing services pursuant to SDCL 36-20B-70 plus \$50 for each firm office exercising practice privileges in this state. A firm must submit an application for an initial firm permit within 90 days after commencing an engagement. A firm must obtain a permit to practice for the year during which it commences an engagement. If the firm does not submit the application within the 90 days the firm must pay an additional \$50.

An application for renewal of a firm permit must be received by the board by August 1 or must be postmarked by August 1. An application completed on the internet must be submitted on or before 11:59 p.m. central time on August 1, to be considered on time. For firms required to hold a permit pursuant to SDCL 36-20B-32.1(1) or (2) the fee for annual renewal applications submitted on time is \$65 for each person holding a certificate, plus \$50 for each firm office in this state. For firms required to hold a permit pursuant to SDCL 36-20B-32.1(3), the fee for annual renewal applications submitted on time is \$65 for each person holding a certificate and performing services pursuant to SDCL 36-20B-70, plus \$50 for each firm office exercising

practice privileges in this state. If the application for annual renewal is submitted late, the firm is assessed a \$50 late fee.

The fee to replace a firm permit lost or destroyed for any reason or to change a name or form of practice is \$25 for the principal office plus \$15 for each additional office. Failure to receive a renewal notice does not constitute an adequate reason for failing to renew the permit in a timely manner. The fee must accompany the application for a firm permit, renewal of a firm permit, or request for replacement of a firm permit.

Each office location shall disclose the following information in the form of an application for registration, signed and acknowledged by the resident manager of the office location:

- (1) The name of the firm maintaining the office;
- (2) The type of organization (sole proprietorship, partnership, or corporation);
- (3) The address of the office location;
- (4) The name and address of the sole proprietorship; each resident partner, if a partnership; or each resident stockholder and member of the governing body, if a corporation;
- (5) The total percentage of equity ownership and the voting rights of the licensees in the firm;
- (6) The name, address, and certificate or registration number of each certified public accountant or public accountant employed at the office location;
- (7) The name, address, and certificate or registration number of the resident manager of the office location;
- (8) The name, address, and certificate or registration number of each person responsible for supervising or providing attest services, if any, as contemplated by SDCL subdivisions 36-20B-2(1) to (5), inclusive, and SDCL 36-20B-3;

(9) The type of peer review program in which the firm participates and the date and results of the last review.

An applicant for initial issuance or renewal of a permit under SDCL chapter 36-20B shall list in the application any state in which the applicant has applied for or holds a permit as a CPA firm and shall list any past denial, revocation, or suspension of a permit by any other state. A firm that submits a renewal by the use of the internet agrees that submission of the renewal serves as the representative of the firm's signature and verification of the information in the renewal.

(Effective July 1, 2013) Application for firm permit -- Renewal -- Replacement -- Fees. Any firm required to hold a permit pursuant to SDCL 36-20B-32.1 must apply to the board for such permit on forms provided by the board. An original sheet of each type of letterhead used by the firm must accompany the application. The board shall issue initial firm permits for up to one year. Firm permits expire annually on July 31.

The initial application fee for a firm required to hold a permit pursuant to SDCL 36-20B-32.1(1) or (2) is ~~\$65 for each person holding a certificate, plus~~ \$50 for each firm office in this state plus.

(1) For firms with 1 to 15 owners the fee is \$65 per owner;

(2) For firms with 16 to 25 owners the fee is \$1000;

(3) For firms with 26 to 60 owners the fee is \$1500;

(4) For firms with 61 owners or more the fee is \$2000.

The initial application fee for a firm required to hold a permit pursuant to SDCL 36-20B-32.1(3) is ~~\$65 for each person holding a certificate and performing services pursuant to SDCL 36-20B-70~~ plus \$50 for each firm office exercising practice privileges in this state plus.

(1) For firms with 1 to 15 owners the fee is \$65 per owner;

(2) For firms with 16 to 25 owners the fee is \$1000;

(3) For firms with 26 to 60 owners the fee is \$1500;

(4) For firms with 61 owners or more the fee is \$2000.

A firm must submit an application for an initial firm permit within 90 days after commencing an engagement. A firm must obtain a permit to practice for the year during which it commences an engagement. If the firm does not submit the application within the 90 days the firm must pay an additional \$50.

An application for renewal of a firm permit must be received by the board by August 1 or must be postmarked by August 1. An application completed on the internet must be submitted on or before 11:59 p.m. central time on August 1, to be considered on time. For firms required to hold a permit pursuant to SDCL 36-20B-32.1(1) or (2) the fee for annual renewal applications submitted on time is ~~\$65 for each person holding a certificate, plus~~ \$50 for each firm office in this state plus.

(1) For firms with 1 to 15 owners the fee is \$65 per owner;

(2) For firms with 16 to 25 owners the fee is \$1000;

(3) For firms with 26 to 60 owners the fee is \$1500;

(4) For firms with 61 owners or more the fee is \$2000.

For firms required to hold a permit pursuant to SDCL 36-20B-32.1(3), the fee for annual renewal applications submitted on time is ~~\$65 for each person holding a certificate and performing~~

~~services pursuant to SDCL 36-20B-70, plus \$50 for each firm office exercising practice~~
privileges in this state plus.

(1) For firms with 1 to 15 owners the fee is \$65 per owner;

(2) For firms with 16 to 25 owners the fee is \$1000;

(3) For firms with 26 to 60 owners the fee is \$1500;

(4) For firms with 61 owners or more the fee is \$2000.

If the application for annual renewal is submitted late, the firm is assessed a \$50 late fee.

The fee to replace a firm permit lost or destroyed for any reason or to change a name or form of practice is \$25 ~~for the principal office plus \$15 for each additional office~~. Failure to receive a renewal notice does not constitute an adequate reason for failing to renew the permit in a timely manner. The fee must accompany the application for a firm permit, renewal of a firm permit, or request for replacement of a firm permit.

Each ~~office location~~ firm shall disclose the following information in the form of an application for registration, signed and acknowledged by the resident manager of the ~~office location~~ firm:

(1) The name of the firm ~~maintaining the office~~;

(2) The type of organization (sole proprietorship, partnership, or corporation);

(3) The address of the ~~office location~~ firm;

~~(4) The name and address of the sole proprietorship; each resident partner, if a partnership; or each resident stockholder and member of the governing body, if a corporation;~~

~~(5)~~ (4) The total percentage of equity ownership and the voting rights of the licensees in the firm;

~~(6) The name, address, and certificate or registration number of each certified public accountant or public accountant employed at the office location;~~

~~(7) (5) The name, address, and certificate or registration number of the resident manager of the office location firm;~~

~~(8) The name, address, and certificate or registration number of each person responsible for supervising or providing attest services, if any, as contemplated by SDCL subdivisions 36-20B-2(1) to (5), inclusive, and SDCL 36-20B-3;~~

~~(9) (6) The type of peer review program in which the firm participates and the date and results of the last review.~~

An applicant for initial issuance or renewal of a permit under SDCL chapter 36-20B shall list in the application any state in which the applicant has applied for or holds a permit as a CPA firm and shall list any past denial, revocation, or suspension of a permit by any other state. A firm that submits a renewal by the use of the internet agrees that submission of the renewal serves as the representative of the firm's signature and verification of the information in the renewal.

Source: 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 35 SDR 305, effective July 1, 2009.

General Authority: SDCL 36-20B-12(3)(9)(14)(18)(21).

Law Implemented: SDCL 36-20B-32 to 36-20B-34, inclusive, 36-20B-70.

20:75:03:10. (Effective through June 30, 2013) Notification of firm changes. Any firm holding a permit pursuant to SDCL 36-20B-32 to 36-20B-34, inclusive, shall file with the board a written notification of any of the following events within 30 days after its occurrence:

- (1) Formation of a new firm;
- (2) Addition of a partner, member, or shareholder;
- (3) Retirement, withdrawal, or death of a partner, member, or shareholder;
- (4) Any change in the firm name;
- (5) Dissolution of the firm;
- (6) Change in the management of any office location in this state;
- (7) Establishment of a new office or the closing or change of address of an existing office location in this state or in any other state.

In the event of any change in the legal form of a firm, such new firm shall, within 30 days of the change, file an application for an initial permit and pay the required fee.

(Effective July 1, 2013) Notification of firm changes. Any firm holding a permit pursuant to SDCL 36-20B-32 to 36-20B-34, inclusive, shall file with the board a written notification of any of the following events within 30 days after its occurrence:

- (1) Formation of a new firm;
- ~~(2) Addition of a partner, member, or shareholder;~~
- ~~(3) Retirement, withdrawal, or death of a partner, member, or shareholder;~~
- ~~(4)~~ (2) Any change in the firm name;
- ~~(5)~~ (3) Dissolution of the firm;
- ~~(6)~~ (4) Change in the management of any office location in this state resident manager of the firm;

~~(7) (5) Establishment of a new office or the closing or change of address of an existing office location in this state or in any other state~~ Change of address for the firm.

In the event of any change in the legal form of a firm, such new firm shall, within 30 days of the change, file an application for an initial permit and pay the required fee.

Source: 29 SDR 16, effective August 14, 2002; 35 SDR 305, effective July 1, 2009.

General Authority: SDCL 36-20B-12(3).

Law Implemented: SDCL 36-20B-35.

Cross-Reference: Denial of certificate, § 20:75:03:06.

20:75:05:01. Independence. A licensee shall comply with Section ET 101 of the American Institute of Certified Public Accountants (AICPA), and additionally comply with the independence rules of the United States Securities and Exchange Commission (SEC), United States Department of Labor (DOL), Public Company Accounting Oversight Board (PCAOB) and United States Government Accountability Office (GAO) applicable to the licensees' engagement.

Source: 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009; 36 SDR 216, effective July 6, 2010; 39 SDR 33, effective September 5, 2012.

General Authority: SDCL 36-20B-12(4).

Law Implemented: SDCL 36-20B-12(4).

References: AICPA Professional Standards, Volume 2, ET Section 101, as of May 2012 December 2012, American Institute of Certified Public Accountants. Copies may be

viewed at the board's office or obtained from the American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, NY 10036. Cost: Annual Online Subscription of Loose-leaf Edition, Member ~~\$389~~ \$135/Non-Member ~~\$486.25 a set~~ \$168.75.

Government Auditing Standards, by the United States Government Accountability Office (GAO) ~~July 2007 Revision, or December 2011 Revision, as applicable~~. Copies may be viewed at the board's office or obtained from the United States Government Accountability Office, Washington, D.C. 20548; or from their website at www.gao.gov/yellowbook. Cost: first document free, each additional copy \$2.

United States Department of Labor (DOL): <http://law.justia.com/us/cfr/title29/29-9.1.3.1.1.0.16.7.html>.

Public Company Accounting Oversight Board (PCAOB):
http://pcaobus.org/Rules/PCAOBRules/Pages/Section_3.aspx.

United States Securities and Exchange Commission (SEC):
<http://www.sec.gov/rules/final/33-8183.htm>.

20:75:05:05. Auditing, accounting, and review standards. A licensee may not permit the licensee's name to be associated with a report on financial statements as defined by SDCL 36-20B-3 unless the licensee complied with generally accepted auditing standards or accounting and review standards as applicable. Generally accepted auditing standards and accounting and review standards are the standards set forth in the **AICPA Professional Standards, Volume 1**, AU Sections 100 through 901, as of ~~May 2011~~ December 2012; **AICPA Professional Standards, Volume 2**, AR Sections 100 through 9600, as of ~~May 2012~~ December 2012; **Professional Standards, Volume 1**, AT Sections 2500 through 2970-400, as of ~~May 2012~~ December 2012; and **AICPA Professional Standards, Volume 2**, ET Sections 50 through 500,

as of ~~May 2012~~ December 2012; by the American Institute of Certified Public Accountants.

Government Auditing Standards by the United States Government Accountability Office,

~~July 2007 Revision, or December 2011 Revision, as applicable.~~ Licensees must justify departures from these standards.

Source: 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009; 36 SDR 216, effective July 6, 2010; 39 SDR 33, effective September 5, 2012.

General Authority: SDCL 36-20B-12(4).

Law Implemented: SDCL 36-20B-40, 36-20B-41.

References: AICPA Professional Standards, Volume 1, AU Sections 100 through 901, as of ~~May 2011~~ December 2012; AICPA Professional Standards, Volume 2, AR Sections 100 through 9600, as of ~~May 2012~~ December 2012; AICPA Professional Standards, Volume 1, AT Sections 2500 through 2970-400, as of ~~May 2012~~ December 2012; and AICPA Professional Standards, Volume 2, ET Sections 50 through 500, as of ~~May 2012~~ December 2012, by the American Institute of Certified Public Accountants. Copies may be viewed at the board's office or obtained from the American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, NY 10036. Cost: AICPA Professional Standards, ~~Volume 1 and Volume 2~~, Annual Online Subscription of ~~Loose-leaf Edition~~. Member ~~\$389~~ \$135/Non-Member ~~\$486.25~~ \$168.75.

Government Auditing Standards by the United States Government Accountability Office, ~~July 2007 Revision, or December 2011 Revision, as applicable.~~ Copies may be viewed at

the board's office or obtained from the United States Government Accountability Office, Washington, D.C. 20548; or from their website at www.gao.gov/yellowbook. Cost: **Government Auditing Standards**, first document free, each additional copy \$2.

20:75:05:06. Accounting principles. If financial statements or other financial data contain any departure from an accounting principle promulgated by the Financial Accounting Standards Board and its predecessors, the Governmental Accounting Standards Board, or by other entities having similar authority as recognized by the board, a licensee may not:

- (1) Express an opinion or state affirmatively that the statements or other data of any entity are presented in conformity with generally accepted accounting principles; or
- (2) State that the licensee is not aware of any material modifications that should be made to such statements or data in order for them to be in conformity with generally accepted accounting principles.

If, however, the statements or data contain such a departure and the licensee can demonstrate that due to unusual circumstances the financial statements or data would otherwise have been misleading, the licensee may comply with this section by describing the departure, its approximate effects, if practicable, and the reason why compliance with the principle would result in a misleading statement.

Generally accepted accounting principles for nongovernmental entities are those pronouncements issued by the Financial Accounting Standards Board and its predecessor entities published by the **Financial Accounting Standards Board (FASB)**, in **Accounting Standards, Current Text, General Standards**, as of ~~December 2011~~ October 2012, and **Financial Accounting Standards Board (FASB), Accounting Standards, Current Text, Industry**

Standards, as of ~~December 2011~~ October 2012. Generally accepted accounting principles for governmental entities are those pronouncements of the Governmental Accounting Standards Board published in **Codification of Governmental Accounting and Financial Reporting Standards**, as of ~~June 30, 2011~~ June 30, 2012 .

Source: 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009; 36 SDR 216, effective July 6, 2010; 39 SDR 33, effective September 5, 2012.

General Authority: SDCL 36-20B-12(4).

Law Implemented: SDCL 36-20B-40, 36-20B-41.

Reference: **Financial Accounting Standards Board (FASB), Accounting Standards**
www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

Codification of Governmental Accounting and Financial Reporting Standards, as of ~~June 30, 2011, Governmental Accounting Standards Board, June 30, 2011~~ June 30, 2012. Copies may be viewed at the board's office or obtained from Governmental Accounting Standards Board Order Department, P.O. Box 30784, Hartford, CT 06150. Cost: ~~\$100 each~~ \$105.

20:75:05:07. Professional standards and conduct. A licensee shall comply with professional ethical standards and conduct. Professional standards and conduct are those established and set forth in the **AICPA Professional Standards, Volume 2, ET Section** as of ~~May 2012~~ December 2012, by the American Institute of Certified Public Accountants.

Source: 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009; 36 SDR 216, effective July 6, 2010; 39 SDR 33, effective September 5, 2012.

General Authority: SDCL 36-20B-12(4).

Law Implemented: SDCL 36-20B-40, 36-20B-41.

Reference: AICPA Professional Standards, Volume 2, as of ~~May 2012~~ December 2012, American Institute of Certified Public Accountants. Copies may be viewed at the board's office or obtained from the American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, NY 10036. Cost: Members ~~\$389~~ \$135/Non-Members ~~\$486.25 a set~~ \$168.75.

20:75:05:08. Interpretations. In the interpretation and application of this chapter, the board shall consider interpretations of similar rules issued by the American Institute of Certified Public Accountants.

Source: 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009; 36 SDR 216, effective July 6, 2010; 39 SDR 33, effective September 5, 2012.

General Authority: SDCL 36-20B-12(4).

Law Implemented: SDCL 36-20B-40, 36-20B-41.

Reference: AICPA Professional Standards, Volume 2, as of ~~May 2012~~ December 2012, American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, NY 10036. Cost: Members ~~\$389~~ \$135/Non-Members ~~\$486.25 a set~~ \$168.75.

20:75:05:17. Records retention. A licensee shall comply with the record retention rules of the American Institute of Certified Public Accountants (AICPA), United States Government Accountability Office (GAO), United States Securities and Exchange Commission (SEC), Public Company Accounting Oversight Board (PCAOB), and United States Department of Labor (DOL) as applicable to the engagement.

Source: s0 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009; 36 SDR 216, effective July 6, 2010; 39 SDR 33, effective September 5, 2012.

General Authority: SDCL 36-20B-12(4).

Law Implemented: SDCL 36-20B-12(4).

References: AICPA Professional Standards, Volume 2, ET Section 101, as of ~~May 2012~~ December 2012, by the American Institute of Certified Public Accountants. Copies may be viewed at the board's office or obtained from the American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, NY 10036. Cost: Annual Online Subscription of ~~Loose-leaf Edition~~, Member ~~\$389~~ \$135/Non-Member ~~\$486.25 a set~~ \$168.75.

Government Auditing Standards, by the United States Government Accountability Office, ~~July 2007 Revision~~, or December 2011 Revision, as applicable. Copies may be viewed at the board's office or obtained from the United States Government Accountability Office,

Washington, D.C. 20548; or from their web site at www.gao.gov/yellowbook. Cost:

Government Auditing Standards, first document free, each additional copy \$2.

United States Securities and Exchange Commission (SEC):

<http://www.sec.gov/rules/final/33-8180.htm>.

Public Company Accounting Oversight Board (PCAOB):

http://pcaobus.org/Standards/Auditing/Pages/Auditing_Standard_3_Appendix_A.aspx.

United States Department of Labor (DOL): <http://law.justia.com/us/cfr/title29/29-9.1.5.13.1.html>.

20:75:07:01. Definitions. Terms used in this chapter mean:

(1) "Accounting and auditing practice," all engagements covered by "Statements on Auditing Standards" (SAS), "Statements on Standards for Accounting and Review Services" (SSARS), "Statements on Standards for Attestation Engagements" (SSAE) for Financial Forecasts and Projections (AICPA, Professional Standards, vol. 1, AT sec. 200), attest services on financial information when the firm audits, reviews, or compiles the historical financial statements of the client, and standards for financial and compliance audits contained in **Government Auditing Standards** ("Yellow Book") ~~July 2007 Revision, or~~ December 2011 Revision, ~~as applicable,~~ issued by the U. S. General Accounting Office;

(2) "Engagement review," a review required of a firm that only performs services under "Statements for Accounting and Review Services" or "Statements on Standards for Attestation Engagements" not included in system reviews;

(3) "Equivalent review," a peer review conducted by the American Institute of Certified Public Accountants, a state licensing board, or an accounting association or society in accordance with the review standards in §§ 20:75:07:09 to 20:75:07:15, inclusive;

(4) "Pass report," a report issued as the result of a peer review that describes no significant deficiencies in the professional standards in §§ 20:75:05:05 and 20:75:05:06;

(5) "Pass with deficiency or fail report," a pass with deficiency or fail report issued as the result of a peer review that describes significant deficiencies in the professional standards in §§ 20:75:05:05 and 20:75:05:06;

(6) "Professional standards," professional standards in §§ 20:75:05:05 and 20:75:05:06;

(7) "Quality control system," the five elements of quality control described in "Statement on Quality Control Standards (SQCS)," No. 2, vol. 2, QC Section 20, and "Statements on Quality Control Standards," published in **AICPA Professional Standards, Volume 2**, as of ~~May 2012~~ December 2012;

(8) "Report review," a review required of a firm that only performs compilation engagements under "Statements for Accounting and Review Services" where the firm has compiled financial statements that omit substantially all disclosures;

(9) "South Dakota review," a peer review conducted under the South Dakota Board of Accountancy program in accordance with this chapter;

(10) "System review," a review required of a firm that performs engagements under the "Statements on Auditing Standards" (SAS), "Statements on Standards for Accounting and Review Services" (SSARS), "Statements on Standards for Attestation Engagements" (SSAE), or "Government Auditing Standards" (GAS), or performs examinations of prospective financial statements under "Statements on Standards for Attestation Engagements";

(11) "Year of review," the calendar year during which a peer review is to be conducted; in the case of an equivalent review, the fiscal or calendar year during which a peer review is to be conducted;

(12) "Year under review," the calendar year prior to the year of review; in the case of an equivalent review, the fiscal or calendar year prior to the year of review.

Source: 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009; 36 SDR 216, effective July 6, 2010; 39 SDR 33, effective September 5, 2012.

General Authority: SDCL 36-20B-12(9).

Law Implemented: SDCL 36-20B-36.

References: **Government Auditing Standards, July 2007 Revision, or December 2011 Revision, as applicable.** United States Government Accountability Office. Copies may be viewed at the board's office or obtained from the United States Government Accountability Office, Washington, DC 20548, or their website at www.gao.gov/yellowbook. Cost: **Government Auditing Standards, July 2007 Revision, or December 2011 Revision, as applicable,** first copy free, each additional copy \$2;

AICPA Professional Standards, Volume 2, as of ~~May 2012~~ December 2012, American Institute of Certified Public Accountants. Copies may be viewed at the board's office or obtained from American Institute of Certified Public Accountants, 1211 Avenue of Americas, New York, NY 10036. Cost: Member ~~\$389~~ \$135/Non-Member ~~\$486.25 a set~~ \$168.75.

Cross-Reference: Conduct of review -- Requirements, § 20:75:07:09.

20:75:07:08. Conduct of review -- Location. The peer review must be conducted at the office location of the firm under review unless the board gives prior approval for the review to be conducted at another location. A firm that does not perform audits and had a pass report on its preceding review may have a review conducted at a location other than its office. However, the firm must have a review conducted at its office location once every third three-year cycle. A firm that performs audits of historical financial statements, agreed-upon procedures under the **Statements on Standards for Attestation Engagements**, or examinations of prospective financial statements must have a review conducted at its office location because of the public interest in the quality of such engagements and the importance to the accounting profession of maintaining the quality of those services. Prior approval may be granted for a review to be conducted at a location other than the firm's office for firms conducting audits. In granting approval for a review to be conducted at another location, the board shall consider firm size and makeup, the number and types of engagements, distances involved, and prior review.

Source: 29 SDR 16, effective August 14, 2002; 30 SDR 119, effective February 9, 2004; 33 SDR 107, effective December 26, 2006; 35 SDR 165, effective December 22, 2008; 35 SDR 305, effective July 1, 2009; 36 SDR 216, effective July 6, 2010; 39 SDR 33, effective September 5, 2012.

General Authority: SDCL 36-20B-12(9).

Law Implemented: SDCL 36-20B-36.

Reference: **AICPA Professional Standards, Volume 1, AT Section May 2012**
December 2012, American Institute of Certified Public Accountants. Copies may be viewed at

the board's office or obtained from the American Institute of Certified Public Accountants, 1211
Avenue of the Americas, New York, NY 10036. Cost: Member ~~\$389~~ \$135/Non-Member
~~\$481.25~~ a set \$168.75.